

# FINANCIAL REGULATION WEEKLY BULLETIN

Major UK and European regulatory developments of interest to banks  
insurers and reinsurers, asset managers and other market participants

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Slaughter and May  
also produces a  
periodical Insurance  
Newsletter. If you  
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the distribution list,  
please contact:  
[Beth Dobson](#).

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## GENERAL //

### 1 FINANCIAL CONDUCT AUTHORITY

- 1.1 Stablecoin issuance, cryptoasset custody and prudential regime for cryptoasset firms - FCA consults - 28 May 2025** - The FCA has published two consultation papers (CP25/14 and CP25/15) on proposals for issuing stablecoins, cryptoasset custody and the financial resilience of cryptoasset firms. This follows its November 2023 discussion paper (DP23/4) on regulating stablecoins as well as HM Treasury's draft statutory instrument setting out the new regulated cryptoasset activities, published in April 2025 and reported in a previous issue of this Bulletin.

In CP25/14, the FCA sets out proposed rules and guidance related to the activities of issuing a qualifying stablecoin and safeguarding qualifying cryptoassets (including qualifying stablecoins). In short, and as trailed in DP23/4, the FCA proposes to use the existing CASS framework as a basis to design bespoke requirements for the safeguarding of qualifying cryptoassets. It also plans to introduce a new Cryptoasset sourcebook (CRYPTO).

In CP25/15, the FCA outlines proposed prudential rules and guidance for the activities of issuing a qualifying stablecoin and safeguarding qualifying cryptoassets. The FCA refers to its broader strategy to establish an integrated prudential sourcebook that brings together core prudential requirements that are common across different types of firms, supplemented by sector-specific sourcebooks building on the common requirements. Initially, the FCA intends to develop and apply this new sourcebook only to firms carrying on regulated cryptoasset activities. As a result, elements of the proposed prudential regime consulted on in CP25/15 will be placed in this sourcebook, known as the Core Prudential sourcebook (COREPRU). Sector-specific requirements for firms carrying on regulated cryptoasset activities will be in the Prudential Sourcebook for Cryptoasset Business (CRYPTOPRU).

In a related press release, the FCA comments that its proposals would require firms providing cryptoasset custody services *"to ensure they are effectively secured and can be easily accessed at any time"*. They also aim to *"reduce the likelihood and impact of firm failures across regulated firms undertaking the activities of stablecoin issuance and cryptoasset custody"*.

Comments on the papers are welcomed by 31 July 2025. The FCA intends to publish final rules and guidance in a policy statement before implementing the new regimes. The final rules and guidance are expected in 2026.

**[FCA consultation paper: Stablecoin issuance and cryptoasset custody \(CP25/14\)](#)**

[Webpage](#)

**[FCA consultation paper: A prudential regime for cryptoasset firms \(CP25/15\)](#)**

[Webpage](#)

[Press release](#)

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- 1.2 Requirements, directions and limitations - FCA announces amendments and updates - 29 May 2025** - The FCA has announced that it will amend and update around 11,000 requirements, directions and limitations applied to over 9,000 firms following a review that revealed that some of its data was either out of date, had been superseded by new content or needed small errors correcting. Over the next few months, the FCA will make both immaterial updates (in other words, minor amendments that do not change what a firm can or cannot do, which will be made automatically) and substantive updates (encompassing bigger changes or removal of requirements, limitations and directions, which will involve contacting the firm to find an efficient way of making the change). Firms do not need to take action unless they are contacted by the FCA.

[Press release](#)

## **2 FINANCIAL MARKETS LAW COMMITTEE AND INTERNATIONAL REGULATORY STRATEGY GROUP**

- 2.1 Draft SI on cryptoassets regulated activities - FMLC and IRSG each write to HM Treasury - 27 and 28 May 2025** - The Financial Markets Law Committee (FMLC) and the International Regulatory Strategy Group (IRSG) have each published letters (dated 23 May 2025) to HM Treasury on potential areas of uncertainty identified in the draft Financial Services and Markets Act 2000 (Regulated Activities and Miscellaneous Provisions) (Cryptoassets) Order 2025 (the Order), published in April 2025 and previously reported in this Bulletin. The draft Order sets out the new regulated cryptoasset activities to be created under the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (RAO) and other secondary legislation.

Both letters identify opportunities for further clarity in the drafting of the Order and better alignment with the existing regulatory regime. The IRSG letter sets out suggested changes to certain definitions (including those of ‘issuing activities’ and ‘transferability’, among others) as well as to the territorial scope of the Order. Issues addressed in the FMLC letter include the overlap between ‘qualifying stablecoin’ and ‘electronic money’ definitions and the impact of expanding the scope of the new safeguarding activity under Article 90 of the RAO.

IRSG Council members include the Head of Slaughter and May’s Financial Regulation Group and co-Head of its Financial Institutions Group, [Jan Putnis](#).

[FMLC letter](#)[FMLC webpage](#)[IRSG webpage](#)

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## BANKING AND FINANCE //

### 3 EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION

- 3.1 **Treatment of SFTs under NSFR - European Parliament and Council of the EU publish text of proposed Regulation amending CRR - 23 and 29 May 2025** - The European Parliament and the Council of the EU have each published the text for a Regulation that would amend the Capital Requirements Regulation (575/2013/EU) (CRR) to adjust the prudential treatment of Securities Financing Transactions (SFTs) under the Net Stable Funding Ratio (NSFR). This would make permanent the current transitional treatment of SFTs and unsecured transactions with a residual maturity of less than six months under the NSFR.

The European Commission intends for the amending Regulation to apply from 29 June 2025 (on the expiry of the existing transitional agreement).

[European Parliament legislative resolution of 22 May 2025 on the proposal for a Regulation amending the CRR on prudential requirements for credit institutions as regards requirements for SFTs under the NSFR \(2025/0077\(COD\)\)](#)

[Council of the EU: Regulation amending the CRR on prudential requirements for credit institutions as regards requirements for SFTs under the NSFR \(2025/0077\(COD\)\)](#)

### 4 EUROPEAN BANKING AUTHORITY

- 4.1 **Pillar 3 data hub - EBA publishes onboarding plan - 22 May 2025** - The European Banking Authority (EBA) has published an onboarding plan for institutions, setting out the steps required for accessing and submitting information to the new Pillar 3 Data Hub (P3DH), which follows the publication of its February 2025 final draft implementing technical standards on IT solutions for public disclosures by institutions. The P3DH is the EBA's centralised platform for public disclosures under the Capital Requirements Regulation (575/2013/EU) (CRR), as amended by CRR III ((EU) 2024/1623).

Alongside the onboarding plan, the EBA has published a list of FAQs to assist firms during the first implementation and data submission process. A related press release notes that the P3DH information will be available to the public from December 2025.

[EBA: P3DH: Institutions onboarding plan](#)

[EBA: P3DH FAQs](#)

[Press release](#)

### 5 CREDIT REPORTING INTERIM WORKING GROUP

- 5.1 **Credit information market study - Credit reporting IWG publishes response to FCA - 23 May 2025** - The credit reporting Interim Working Group (IWG) has published its response to the FCA's credit information market study (MS19/1.3) final report which was published in December 2023

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and sought enhancements to the credit information industry's governance model. One of the remedies outlined in the final report was the establishment of a new governance framework for the credit information market, with the working name of 'Credit Reporting Governance Body' (CRGB). In the response, the IWG sets out its final recommendations relating to the design, implementation and operation of the new CRGB.

The IWG will publish the FCA's feedback on the recommendations, as well as any amendments needed. In the interim, the IWG will advance key activities to support the establishment of the CRGB, which will include the recruitment of initial staff who will take the reins from the IWG.

[IWG: Response to the FCA CIMS \(MS19/1.3\) final report](#)

## SECURITIES AND MARKETS //

### 6 EUROPEAN SECURITIES AND MARKETS AUTHORITY

- 6.1 Preventing unauthorised financial promotions - ESMA writes to social media companies - 28 May 2025** - The European Securities and Markets Authority (ESMA) has written to a number of social media and platform companies (including X, Meta, TikTok, Alphabet, Telegram, Snap, Amazon, Apple, Google and Reddit) encouraging them to tackle unauthorised financial promotions. The letters are written on behalf of ESMA and the EU member state national competent authorities (NCAs). ESMA and the NCAs want to collaborate with online platforms and digital service providers to mitigate the harm caused by unauthorised businesses promoting financial products and services through online tools and applications. The recipient companies are encouraged to consider the International Organization of Securities Commission's initiative (launched on 21 May 2025 and reported in last week's Bulletin) highlighting the global nature of online harm linked to financial misconduct.

The letters notes that companies could take proactive steps to prevent the promotion of unauthorised financial services by consulting the ESMA register on MiFID II investment firms to verify whether any business that wishes to promote on the recipient company's platform has been authorised to provide investment services by an NCA or is acting on behalf of an authorised firm.

[Press release](#)

## ASSET MANAGEMENT //

### 7 INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS

- 7.1 CIS liquidity risk management - IOSCO publishes final revised recommendations - 27 May 2025** - The International Organization of Securities Commissions (IOSCO) has published a final report on its revised recommendations for liquidity risk management for Collective Investment Schemes (CIS), with accompanying implementation guidance. The updates seek to operationalise the

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Financial Stability Board's December 2023 recommendations on liquidity in open-ended funds and incorporate other changes to reflect market and policy developments since the publication of IOSCO's initial recommendations in 2018. IOSCO acknowledges that the CIS sector is very diverse and as such there is no 'one size fits-all' approach to liquidity risk management. Responsible entities are expected to exercise their sound professional judgement in the best interests of investors.

IOSCO will review progress by member jurisdictions in implementing the revised recommendations and the guidance, beginning with a stocktake to be completed by the end of 2026.

[IOSCO final report: Revised recommendations for liquidity risk management for CIS \(FR/10/2025\)](#)

[IOSCO final report: Guidance for open-ended funds for effective implementation of the recommendations for liquidity risk management \(FR/11/2025\)](#)

[Press release](#)

## INSURANCE //

### 8 UK GOVERNMENT

- 8.1 Pensions Investment Review - UK government publishes final report and consultation response - 29 May 2025** - The UK government (comprising HM Treasury, the Department for Work and Pensions and the Ministry of Housing, Communities and Local Government) has published a final report setting out the conclusions of the Pensions Investment Review (launched in July 2024), together with a response to the November 2024 consultation paper on proposals to reform the Defined Contribution (DC) workplace pensions market.

The report puts forward measures to add momentum to the consolidation of the DC market and the local government pension scheme. In the coming months, the government plans to launch the next phase of the Pensions Investment Review, which will focus on the adequacy of pension outcomes.

The government's consultation response sets out its final policy positions on, among other reforms, reforms setting minimum scale and investment capability requirements, with a transition pathway provided for schemes that will be able to reach scale by 2035, as well as the introduction of a regulatory approval process for creating new default arrangements. The final reforms include a contractual override mechanism for the bulk transfer of assets and a commitment to a market fragmentation review (to commence in 2029).

Separately, the FCA has published a press release in response to the government's final report, specifically on the announcement of a survey of asset allocation. In August 2024, the FCA consulted on suggestions for a pensions value for money framework, which included proposals relating to asset allocation data disclosure. The FCA plans to contact relevant firms later in 2025

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and ask them to provide data in early 2026 so that it can better understand how firms think about asset allocation and refine its proposed rules.

[UK government final report: Pensions Investment Review](#)

[Webpage](#)

[UK government consultation response: Unlocking the UK pensions market for growth](#)

[Webpage](#)

[UK government press release](#)

[FCA press release](#)

## 9 FINANCIAL CONDUCT AUTHORITY

- 9.1 **Which? petition urging action against insurers - FCA publishes response - 29 May 2025** - The FCA has published a letter (dated 28 May 2025) addressed to the CEO of Which?, Anabel Hoults, in response to the letter (dated 14 May 2025) and accompanying petition delivered to the FCA urging it to take enforcement action against insurers that are failing to meet the consumer duty requirement, or comply with the FCA's insurance rules and wider consumer law.

In its response, the FCA reveals that it will publish an interim report in the summer of 2025 on its market study into whether those paying monthly for their insurance are receiving fair, competitive deals. At the same time, it intends to publish a review into firms' handling of claims on home and travel policies. The FCA also notes that it is currently looking into the impact of motor premium increases.

[Letter](#)

[Which? petition](#)

# ENFORCEMENT //

## 10 FINANCIAL CONDUCT AUTHORITY

- 10.1 **Corrupt loans - FCA takes action against former bank vice-president following US conviction - 23 May 2025** - The FCA has published a final notice (dated 16 May 2025) banning a former vice-president of Credit Suisse, Detelina Subeva, from working in the UK financial services industry. Subeva is the third former employee of the Credit Suisse banned for lacking integrity after a US conviction for conspiracy to commit money laundering connected to corrupt loans to the Republic of Mozambique. On 20 May 2019, Subeva pleaded guilty in the US for her role in a conspiracy to commit money laundering, which included accepting and retaining US\$200,000 in unlawful kickbacks from one of her co-conspirators in connection with the loans.

In October 2021, the FCA fined the bank over £145m as part of a US\$475m global settlement for serious financial crime due diligence failings related to the loans, which the bank arranged for

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the Republic of Mozambique, worth US\$1.3bn. Subeva's co-conspirators were banned earlier in February 2025 following their US convictions, as previously reported in this Bulletin.

[Final notice](#)[Press release](#)

- 10.2 Basset & Gold complaints - FCA publishes statement and decision letter - 29 May 2025** - The FCA has published a statement and a decision letter apologising to people who invested in Basset & Gold plc (B&G) and Basset & Gold Ltd (Basset Gold) for failures in the way it dealt with the firms. The unregulated firms, which raised funds by issuing mini-bonds, were appointed representatives of three authorised firms (Thornbridge Investment Management LLP, Gallium Fund Solutions and B&G Finance Ltd (BGF)). Basset Gold went out of business in 2021 and B&G in 2022.

The FCA has decided to uphold complaints relating to its failure with regard to the authorisation of BGF and supervision of B&G, Basset Gold and BGF. However, the FCA has decided not to uphold the complaints about the authorisation of B&G and Basset Gold and its failure to stop the sale of B&G mini-bonds at an earlier time and to act on a specific warning about B&G. As the FCA was not the direct cause of investor losses, which were instead caused by the failure of B&G and related entities, the FCA will not pay any redress for failures. It has offered an ex-gratia payment of £200 for each complainant for the delay in responding.

[Decision letter](#)[Statement](#)

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This Bulletin is prepared by the Financial Regulation Group of Slaughter and May in London. The Group comprises a team of lawyers with expertise and experience across all sectors in which financial institutions operate.

We advise on regulatory issues affecting firms across the financial services sector, including banks, investment firms, insurers and reinsurers, brokers, asset managers and funds, non-bank lenders, payment service providers, e-money issuers, exchanges and clearing systems. We also advise non-regulated businesses involved in financial regulatory matters. In addition, our leading financial regulatory investigations practice is regularly instructed by financial institutions requiring specialist knowledge of financial services regulation together with experience in high profile and complex investigations and contentious regulatory matters.

Most of the projects that we advise on have an extensive international or cross-border element. We work in seamless integrated teams with leading independent law firms which offer many of the most highly regarded financial institutions lawyers in Europe, the US and Asia, as well as strong and constructive relationships with local regulators.

Our Financial Regulation Group also produces occasional briefing papers and other client publications. The five most recent issues of this Bulletin and our most recent briefing papers and client publications appear on the Slaughter and May website [here](#).

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